

Recycling Market Development Zone Tax Credit

Taxpayers claiming this credit must complete this form and attach it to their individual income or corporate franchise tax return. The Department of Community and Economic Development must sign or certify (see address on back) if you are seeking credit for machinery or equipment. See the reverse side of this form for detailed instructions.

PART A

| | | |
|-------------------------------------|---|----------|
| Name of taxpayer claiming credit | Taxpayer's identification number (SSN or EIN) | |
| Address of taxpayer claiming credit | Telephone number () | |
| City | State | ZIP Code |

Certification by the Department of Community and Economic Development: I certify that the machinery and equipment purchased below are integral to the composting or recycling process of the taxpayer named in PART A of this form and the named company is located within the boundaries of a recycling zone.

| | | |
|------------------------------|-------|-------------|
| Authorized signature by DCED | Title | Date signed |
|------------------------------|-------|-------------|

PART B

| List machinery and equipment purchased | Date purchased | Purchase price |
|--|----------------|-----------------------------|
| | | \$ |
| | | \$ |
| | | \$ |
| | | \$ |
| Add all purchases in PART B | | Total purchases |
| Multiply total purchases by .05 (5%) | | Total credit allowed |

PART C

| List rent, wages paid, supplies, tools, test inventory, and utilities purchased | Date paid | Amounts paid during tax year | List rent, wages paid, supplies, tools, test inventory, and utilities purchased | Date paid | Amounts paid during tax year |
|---|-----------|------------------------------|---|-----------|------------------------------|
| | | \$ | | | \$ |
| | | \$ | | | \$ |
| | | \$ | | | \$ |
| | | \$ | | | \$ |
| Add all amounts paid in PART C | | | | | Total paid |
| Multiply total payments by .20. If this amount is greater than \$2,000, only enter \$2,000. | | | | | Total credit allowed |

PART D

Line 1 Add total credits allowed from PART B and PART C. Enter sum on this line.

Line 2 If you are a Utah resident, multiply line 21 of your Utah income tax return by .40 (40%). If you are a non-resident or part-year resident, multiply line 22 of your Utah income tax return by .40 (40%).

Line 3 Enter the smaller of the amounts on line 1 or line 2. This is your tax credit.

| | |
|---|----|
| 1 | \$ |
| 2 | \$ |
| 3 | \$ |

IMPORTANT - PLEASE READ

Refer to the instructions for your *INCOME TAX (TC-40)*, *CORPORATE TAX (TC-20 or TC-20S)*, or *FIDUCIARY TAX (TC-41)* to determine the line number on which you will record this credit.

PART E

Any unused amount of the total credit allowed under PART D, line 3, that is attributable to purchases of qualified machinery and equipment under PART B, may be carried forward three years.

Carryforward Amounts

Line 1 Amount of tax credit carried forward - first year

Line 2 Amount of tax credit carried forward - second year

Line 3 Amount of tax credit carried forward - third year

| | | |
|---|----|--|
| 1 | \$ | |
| 2 | \$ | |
| 3 | \$ | |

Applied to tax year:

For tax years beginning January 1, 1996 and ending on or before December 31, 2000, the Utah Legislature authorized a nonrefundable tax credit to individuals and corporations in a recycling market development zone, as defined in Utah Code Section 9-2-1602. The credit consists of: (a) 5 percent of the purchase price paid during the taxable year for machinery and equipment used directly in commercial composting, or manufacturing facilities or plant units that manufacture recycled items or reduce or reuse postconsumer waste material; and (b) 20 percent of net expenditures, up to a maximum credit of \$2,000 to third parties for rent, wages, supplies, tools, test inventory, and utilities made by the taxpayer for establishing and operating recycling or composting technology in Utah.

PART A

Enter name and address information of taxpayer. PART A is where the Department of Community and Economic Development will signed, authorizing this credit.

PART B

List any machinery or equipment purchased that is used directly in commercial composting or in manufacturing facilities or plant units that manufacture, process, compound or produce recycled items for sale or reduce or reuse postconsumer waste material. Enter the purchase price for the machinery or equipment in the appropriate column. Add all purchases and multiply the total purchases by .05. This represents the total amount that can be used as a credit for machinery and equipment.

PART C

List expenditures for rent, wages, supplies, tools, test inventory, and utilities and the amount of the expenditure in the appropriate column. Total all expenditures listed in PART C and multiply the total by .20 (20%). If the amount is greater than \$2,000, only enter \$2,000.

PART D

Add together the "**Total credit allowed**" from PARTS B and C. If you are a Utah individual resident, multiply the amount on line 21 of your Utah income tax return by .40 (40%). If you are a nonresident or part-year resident multiply the amount on line 22 of your Utah income tax return by .40 (40%). Your credit on line 33i of your Utah income tax return is the smaller of line 1 and line 2.

PART E

Taxpayers may carry forward for three years any of the unused total credit allowed in PART D, line 3, that is attributable to purchases of qualified machinery and equipment under PART B. Indicate the amounts you are carrying forward, along with the appropriate years, on lines 1 through 3 of PART E.

Carryforward recycling market development zone credits shall be applied against Utah individual income or corporate franchise tax due before the application of any recycling market development zone tax credits earned in the current year and on a first-earned, first-used basis.

This form must be completed and signed in PART A and attached to the initial Utah income tax return. If you carry forward this tax credit, you must attach a copy of this completed form, with the new carryforward amount, to your Utah tax return.

Taxpayers must keep copies of tax credit records for three years from the date the return is filed.

To approve this credit, contact the Department of Community and Economic Development, 324 South State Street, Fifth Floor, Salt Lake City, Utah 84114-7360, telephone number (801) 538-8804.

If you need additional information, please contact the Utah State Tax Commission at (801) 297-2200 or toll free 1-800-662-4335, if outside the Salt Lake area. The address is 210 N 1950 W, Salt Lake City, Utah 84134.

If you need an accommodation under the Americans with Disabilities Act, contact the Tax Commission at (801) 297-3811 or TTY (801) 297-3819. Please allow three working days for a response.